

Minutes of Waukesha County Airport Operations Commission
June 12, 2013

Chairman Crowley called the meeting to order at 8:00 a.m.

Other Commissioners Present: Falstad, Richards and Bluemke. Commissioner Schoepke excused.

Others Present: Joe Cottrell, Cottrell Aviation/Hangar One; Kurt Stanich, Airport Manager; Alan Graff, Jr, Airport Operations; Greg Stern, Med & Hunt Inc.; Harry Becker, Atlantic Aviation; Laura Morland, Mead & Hunt Inc.; Jim Singer, Flight for Life; Laurie Stein, Stein Aircraft Services and Allison Bussler, Department of Public Works.

Approve modify minutes of April 10, 2013

Motion to approve minutes of May 8, 2013 by Vice-chair Bluemke with second by Secretary Richards. Motion passed. Minutes approved.

Public Comment/Correspondence

None

Discussion and action on assignment and assumption of 526/528 Northview Road between Behrens Hangar Leasing, LLC and Hangar One, LLC-

Stanich – Behrens purchased the hangar from the Dalton Estate a few months ago and the Commission approved the assignment between Dalton and Behrens Hangar Leasing, LLC. They have changed the name of the organization and are now under the name Hangar One, LLC. There is no change in ownership or exchange of building; it is basically a business assignment from one entity to another. Joe Cottrell is present as a representative of Hangar One, LLC if there are any questions. Erik Weidig from County Corporation Counsel reviewed the assignment and has approved it for signing. Seeking approval of the assignment by the Commission.

Motion to approve assignment by Vice-chair Bluemke with a second by Commissioner Falstad. Motion approved.

Discussion and action on assignment and assumption of 526/528 Northview Road between Hangar One, LLC and Spring Bank

Stanich – Erik Weidig, Corporation Counsel, has reviewed and approved the assignment. This is a collateral assignment for Spring Bank should Hangar One, LLC default on the lease or any provisions thereof. A similar assignment was approved by the Commission for another hangar owned by Behrens Leasing LLC. Seeking approval of the assignment by the Commission.

Motion to approve assignment by Secretary Richards with a second by Commissioner Falstad. Motion approved.

Discussion and action on lease amendment for 2651 Aviation Drive by Stein's Aircraft Services, Inc. (SAS).

Stanich – Stein's purchased the Select Leasing Hangar (Jack Safo) at 2651 Aviation Drive. SAS has been working with their bank, **SBA** and Corporation Counsel on amending several lease terms in the agreement the Commission approved in March of 2013. Corporation Counsel has reviewed the request and there are some lease terms the County cannot agree to. Corporation Counsel suggests that if these changes are required by the bank or the SBA, they should form an agreement with Stein Aircraft Services, not with the County, to meet those provisions. Laurie Stein is present to answer questions from the Commission. Corporation Counsel believes it is a good amendment to the lease. Seeking approval by the Commission for the lease amendment.

Motion to approve by Secretary Richards with a second by Commissioner Falstad.

Discussion

Richards – Will there be any ramifications to the Airport or Commission?

Stanich – Corporation Counsel would not have approved the lease amendment if there was anything adverse to the County's current agreement with Stein.

Stein – If there is an issue with the property the SBA does not agree with the time allowed for the provisions in the lease agreement (24 hours) and they (SAS) just want to make sure they are doing everything right.

Richards – Basically we are saying our (County) contract with SAS stands firm and anything SAS does with the Bank/SBA is subject to the County's provisions.

Crowley – Other discussion? The motion stands. All in favor to approve the motion? Yes. Motion passed.

Presentation by Mead & Hunt

Crowley – Greg Stern and Laura Morland from Mead & Hunt are here for a presentation on the Airport Master Plan. This is a continuation of monthly updates.

Stanich – Background: Master Plan update was done in 2000. With the runway/safety area project coming up and other major reconstruction projects; we have been talking with Mead & Hunt about the master plan project. By waiting until after all of these projects are done, we will have a better handle on our capacity to meet demand. Looking at the business operation of the airport right now we can do a strategic plan that will help us complete the master plan later.

Stern – Awhile back we gave a presentation to the Commission on airport funding. The presentation was appreciated and the Commission requested more of these be given regarding plans for the airport. This presentation will be a brief overview of the master planning process, the steps that are generally followed, and the timeline associated with a master plan. And as Kurt mentioned, the strategic planning initiative that other airports are doing. Handouts: Airport Cooperative Research Program – Strategic Planning in the Airport Industry and Mead & Hunt Overview of an Airport Master Plan.

Power point presentation.

Master Plan is a comprehensive study of an airport to identify solutions that meet anticipated aviation demand and are projects that are intended to meet FAA standards. The safety area project on the runway is an example. A master plan generally looks a twenty (20) year window of time. It looks at developments from a short, medium, and long term perspective. A short term time frame is usually a 0-5 year time frame, medium is 5-10 year, and long term is 10-20 year range. The short term plan culminates into a capital improvement plan (CIP) and that is reevaluated on a yearly basis by the State Bureau of Aeronautics. Purpose of the master plan is to provide framework and guide decisions that will be made in the future. It also develops a realistic assessment of what the projects will cost, time frame for the improvements and putting together a financial plan. The master plan addresses environmental issues associated with the projects as well as the socio economic impact.

Mr. Stern reviewed the purpose, objectives, master planning process, stakeholder and public involvement and conclusion.

Strategic Planning – This is a good process to get everyone's ideas/vision for the airport. If this is something the Commission is interested in, Mead & Hunt could facilitate a training session (about 8 hours).

Open for questions/comments.

Richards – A stronger effort must be made to inform the community and the County Board Supervisors on what is taking place at the airport and the business it generates. A marketing plan to promote the airport is very important.

Crowley – Marketing efforts for the Airport will be a part of the Airport Manager's Report.

Stanich – Marketing was initiated in 2009 and it has been very successful in turning the tide of the tenant feeling for the airport and also the community through the different events and better communication. There are vacant lots available that we plan to market similar to real estate. Community relations are improving by responding more favorably to noise complaints, and promoting airport through brochures that were printed and mailed out. There has been a lot of effort in marketing activity for the airport.

Stern – Master Plan can be goal oriented to focus on one particular subject. The 2002 Master Plan was shown to Commission as example of what the document looks like. The Master Plan provides an Executive Summary and can also be used as a marketing tool.

Bluemke – It seems that after the last plan was completed there were lots of ideas and now ten years later most of those ideas have not been implemented. Demands such as the runway in front of the old hangars are being done now because of funding to get some of the taxiways done. Rather than start a new report, is it practical to take the 2002 report that is still valid and update it?

Stern – Yes, and because it is a twenty year document the FAA may not fund a full blown start from scratch master plan knowing this one is only ten years old. An update is the right approach.

Bluemke – Realize primary reason for this is for the FAA.

Richards – Has statistical data been looked at to see if the airport met projection goals from 1999-2000?

Stanich – This is one of the reasons to do the update. The actual project approved through the State and the County Board process is an update not a completely new plan.

Crowley – Thank you to Greg Stern and Laura Morland from Mead & Hunt for their presentation to the Commission. The strategic planning process is important with the update. As we get closer to beginning the master plan update, a brief session for the Commission (not all day) to brainstorm and present thoughts of important issues to address.

Richards – What about input from users/tenants?

Crowley – That will be part of the data collection process. Input from County Board Supervisors could be included in this also.

Stern – Strategic planning could be discussed at a future meeting. Also, share examples/information/studies that have been done at other airports.

Chairman's Report

As requested at the May meeting, communicated to the County Executive on behalf of the Commission, the concerns regarding the tower and funding. With direction from the County Executive they are looking into possibilities of what can be done.

Airport Manager's Report

Request for Proposal – This was for a facility update, looking to improve interior of terminal (atrium) for a more executive look and replacing the HVAC units on top of the tower and terminal building (they are over ten years old).

Crowley – Were the HVAC units and atrium part of the budget process?

Stanich – This project started about four years ago. Mike Wells from Architecture and Shane Waeghe from Facilities have been working hard on our behalf to move the project through.

Snow removal equipment building – Met with Public Works to discuss moving the project forward, locations for the building, actual size and scope and looked at partnership with other County departments. Federal funding will not allow for shared use building.

Construction project – The project is going very well.

Marketing – May Newsletter on airport activity went out, also a special newsletter follow up on the FAA resolution to fund the towers through the end of the fiscal year, September 30. A tenant survey that has been distributed already and working on a draft discussion guide for calls to corporate aviation users. The bi-annual tenant survey was released on Monday, June 10th and has received fifty responses since Monday. We are very encouraged response rate will increased from last year. Survey is scheduled to end June 28th. Tracy (StrateVantage) will present all of the data and analysis collected at the July Commission meeting. Working on some revisions for the website to do some updating of the contents and putting up new pictures. Doing work on a press release and working on the 2014-2016 marketing budget.

Tenant Survey – The Commission requested information on tenant activity at the May meeting. Mr. Graff has put together some information for today's meeting.

Graff – Used several sources to compile the data to get an overall idea of activity at the airport. 1) Badge data – 9 new tenant badges issued so far this year. These are typically issued to aircraft owners, renters, and anyone with an aviation

purpose. 2) Atlantic Aviation (Fixed Based Operator) two new piston aircraft in the last six months based at the airport. The bigger effect at the airport is more jet aircraft being upgraded from smaller aircraft to larger. There is an indication this will continue. 3) County T-hangar occupancy rate – Right now there are seven vacancies in the T-hangars. This has been level in the past several months. Tenants come into the T-hangars and as private hangars open up with more amenities, the occupants will move out for the newer one. This is all of the information gathered for activity level at the airport that is general aviation and corporate use.

Conferences - Two conferences were attended this year, the Wisconsin Aviation Conference and the American Association of Airport Executives. We had the opportunity to speak with several airport directors. One was DuPage Illinois and we discussed their business plans, how they recruit business and their budgetary structure. Also spoke with the Director of the airport in Scottsdale Arizona. This was very enlightening and learned some great ideas from that conversation. Learning more of what the airport industry does as a whole to become more self-sustained and not become overly burdensome on its users. Will be using this information when working on 2014-15 airport budget (restructure budget, restructure revenue, decrease expense accounts to make the airport look healthier in having money available for marketing the airport and not having to request additional money to do this, and to reduce our reliance on the County tax levy as much as possible.

Budget – Working with County Budgeting Analyst and have taken a 4-5 page budget and broken down into two sections to become more manageable. In the past it has always been three large sections that were hard to interpret and difficult to explain. On a daily management aspect there were a lot of duplicate line items to budget and we ended up over budgeting in some places. This is now structured as a stream lined budget process. You will notice this in the annual report, much easier to read and understand.

Airport Operations Report

Construction project – Two and half weeks into the taxiway Delta/Foxtrot project. This involves a full depth replacement of Foxtrot and part of Delta, the other half of Delta is an overlay. Delta should be completed as scheduled and tenants should have access to their hangars from Delta by June 23rd. The entire project is scheduled to be completed by July 2nd. There will be some additional work on Foxtrot to complete some landscaping and punch list items to take care of.

Bluemke – If tenants have taxiway access does that mean fire emergency vehicles have access as well?

Graff – Once the taxiway is open and tenants have access fire emergency vehicles will have access both airside and landside. Right now there is landside access to the hangars.

Richards – Quite awhile ago there was conversation of creating an access from the fire station itself to the airport, has that been further discussed?

Stanich – No, that has not been directly discussed. Not sure how far talk on the Woodburn Road has gone. The original plan was to link the fire house with that road. The fire department's response time right now on city roads is three-four minutes.

Bussler – The cost to build that road is a little over one million dollars, which about the value of that parcel of land. Right now the Executive vision is to reserve this for some business related to the airport.

Fuel Report – In May Jet A fuel was at 76,037 gallons, up 38% from 2012. That number is misleading; the number from 2012 was below the average of the last two years. 100LL in May is about the same from a year ago in 2012. Year to date Jet A is up 14% at just over 360,000 gallons and 100LL is down about 7.6% at 39,000. Since Jet A forms the bulk of the fuel flow at the airport, that leaves fuel sales up about eleven and a half percent.

Tower/Traffic Activity – Total operations for May were level from a year ago. This is actually pretty good considering the percent of IFR (instrument flight rules) hours. Numbers were up about 17% this year compared to 10% a year ago. Traffic was up 24% from a year ago, this was driven by strong local traffic. Year to date traffic is off about 20% at 17,012 operations. This can be partially attributed to the weather this year with the number of IFR hours.

Falstad – There is a dramatic decrease in the military local. What is this?

Graff – Typically the military traffic we see is the Blackhawk helicopters from surrounding areas that will be itinerary traffic doing training missions.

Falstad – Is this traffic going somewhere else?

Graff – The flying hours for the military have been seriously cut back due to sequester. Not certain this is the reason, but military hours have been cut back significantly.

Crowley – Mr. Becker was asked to address the Commission regarding fuel prices.

Becker – Jet is \$6.04 and 100LL at \$6.49 and \$5.74 for based tenants.

Crowley – Thank you.

Events

Wings Over Waukesha movie night fund raiser is Friday, June 14th at the airport. Wings Over Waukesha Air Show is August 24th and 25th. The website for WOW is updated for show information.

Future Agenda Items -

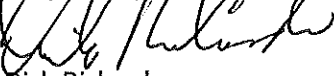
StrateVantage Presentation
WCTC/UWM Aviation Program

Adjourn

Motion to adjourn by Commissioner Falstad with a second by Secretary Richards. Motion passed. Meeting adjourned 8:55 a.m.

Next meeting: Wednesday, July 10, 2013 at 8:00 a.m.

Respectfully submitted,



Dick Richards
Secretary- Airport Operations Commission
June 12, 2013